

How to Build an Effective HR Service Management Strategy

Improve employee experience and productivity
by transforming HR service delivery

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Executive Summary

Human Resources manages the most important asset of any business: its people. Post-pandemic, organizations not only face tremendous pressure to accelerate digital transformation but also to attract and retain the talent to do so. HR must move beyond traditional processes to not only keep pace with today's technology but use it for innovation and differentiation.

An HR service management solution with cutting-edge AI/ML capabilities can achieve exactly that, enabling HR to improve productivity, increase retention, boost efficiency, and create a truly transformative employee experience.



The critical role of HR in digital transformation

Digital transformation has been at the top of enterprises' priority list, but HR has rarely been the center of attention. The pandemic changed that: amid the "Great Resignation" and seismic changes to working models and employee expectations, HR is now charged with solving some of the business's

most crucial challenges. HR must use technology to ensure an exceptional employee experience that increases retention, mitigates attrition, attracts top talent, and improves employee satisfaction and engagement.

A recent digital maturity study conducted by West Monroe Partners identified four characteristics of digital maturity that correlate most with financial performance:



Engaged employees



Digital interactions that are convenient and effortless



An ability to leverage data for insights



A strong vision and dedicated leadership

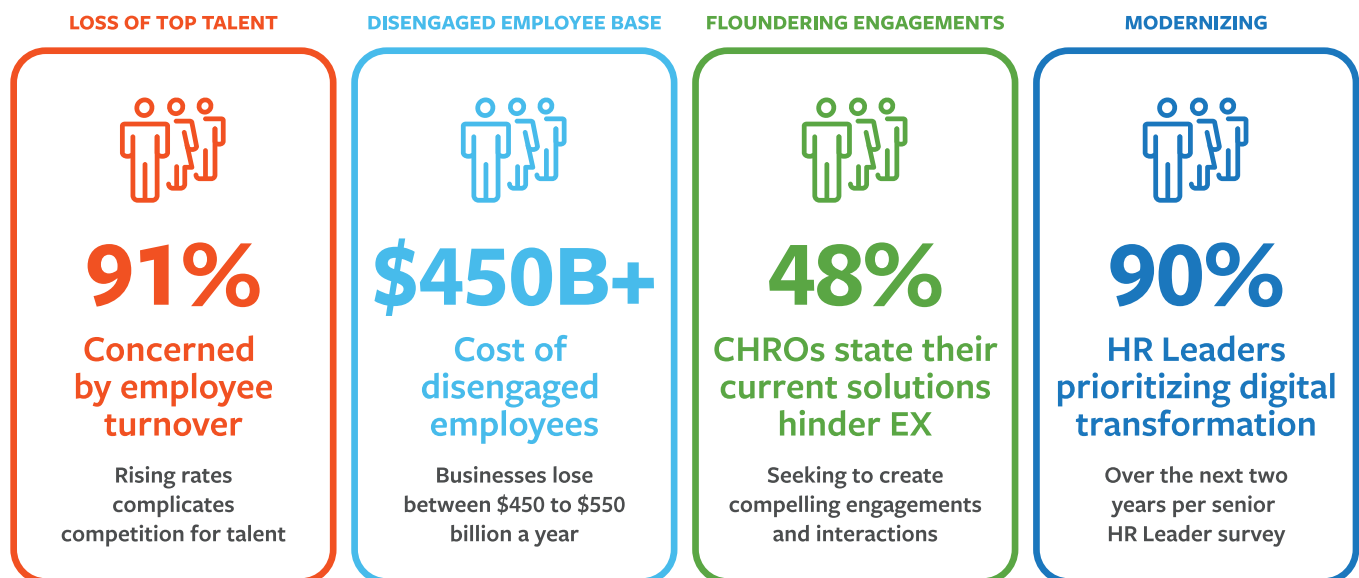
The challenge with traditional HR models

To meet these objectives, Human Resources must undergo its own digital transformation. HR's red-tape reputation may be clichéd, but it's not wholly inaccurate. There's a reason for HR's tremendous administrative burden: especially in today's global, work-from-anywhere environment, HR professionals must juggle the requirements, demands, and regulations tied to employees in the office, at home, and around the world. These challenges make it difficult to standardize and streamline processes, but also demonstrate the need to digitize to survive in the current fast-paced business climate.

For HR teams, it can feel like a classic Catch-22. The complexity of modern business necessitates due

process and the protection of individual employees and the organization more than ever. And yet, the workflows that support this necessity can quickly become cumbersome, impeding agility and innovation.

In addition, business leaders are shifting from a laser focus on efficiency to the impact and importance of employee experience. In a world of digital transformation, promoting a culture of experimentation and open curiosity is non-negotiable. The democratization of knowledge has created an informed and agile worker, one who expects leaders to be people-led and people-focused. This is particularly true as organizations navigate the post-pandemic climate, with changing



Source: <https://talentculture.com/how-technology-helps-hr-spend-less-time-on-paper-and-more-time-on-people/>

expectations for where, when, and how work gets done – and employees’ willingness to leave if those expectations aren’t met.

This climate creates challenging new realities for HR, including:

- Loss of top talent: In its recent publication, Top 5 Priorities for HR Leaders in 2022, Gartner for HR found that 91% of HR leaders are significantly (48%) or somewhat (43%) concerned about employee turnover over the next several months. Additionally, they should expect year-over-year rates at 50-70% more than usual.
- A disengaged employee base: Forbes estimates that “Disengaged employees cost businesses somewhere between \$450 and \$550 billion a year.” However, there may be hope, as 95% of

respondents recognized when they’re becoming disengaged, and look to leadership to deliver on engagement initiatives.

- Floundering engagement: When it comes to the impact of technology, Gartner for HR found that 48% of CHROs stated that their current solutions hinder, rather than improve, employee experience.
- The modernization imperative: In 2021, the Gartner HR Budget and Staffing Survey found that while 1/3 of HR leaders plan for budget cuts, 90% still plan to maintain or increase their investment in technology.

The fundamentals of HR service management

To combat these challenges, HR requires an operational layer that frees up HR professionals from administrative duties and allows them to focus on higher-value tasks, such as engaging employees. This goes far beyond point-product HR technology. To meet employee needs across the lifecycle, HR needs to integrate HR operations into the enterprise infrastructure. By increasing efficiency and productivity within HR, HR can in turn deliver exponential benefits across the organization.

How can Human Resources transform internally to provide these benefits and more? An HR Service Management (HRSM) solution.

HR service management is a tiered shared services delivery model that applies principles from IT and customer service to the Human Resources function. It extends beyond case management to bring the vast majority of HR tasks under one umbrella, including routine tasks and transactions, providing services to employees and managers, reporting, vendor management, and on-demand support for line managers for every-day matters.

At its core, HR service management standardizes and operationalizes HR processes using automation, self-service, and omni-channel experiences. It enables collaboration across the business, breaking down the HR silo and empowering teams to focus on the end-to-end employee journey. HR service management reduces friction between employees and HR, improves employees' perception of HR (and the organization as a whole), and enables both employees and HR professionals to be more efficient, productive, and satisfied.

As a result of these outcomes, traditional HR functions can expand. When equipped with a powerful service management model, HR can go beyond standard tasks like benefits, payroll, and on- and off-boarding to focus on employee engagement for the modern workforce. Employee engagement is one of the biggest contributors to digital transformation and successful organizations as a whole – and in today's competitive climate, it has never been more important.

Benefits of engaged employees

Highly engaged employees and their teams deliver dramatic, measurable benefits to the business, including:

- 10% higher customer loyalty/engagement
- 23% higher profitability
- 18% higher productivity (sales)
- 14% higher productivity (production records and evaluations)
- 18% lower turnover for high-turnover organizations (those with more than 40% annualized turnover)
- 43% lower turnover for low-turnover organizations (those with 40% or lower annualized turnover)

How to build an HR service management model: 10 core capabilities

An impactful HR service management model should offer ten core capabilities to deliver on its promise. These include:

1. **Workflow automation.** Automation is one of the cornerstones of HR service delivery. It allows HR to turn common requests and transactions into repeatable processes that free up HR team members to work on higher value projects.
2. **Powerful self-service.** Even basic self-service, like a searchable employee knowledge base, improves HR operations. With advanced technology, modern HR service delivery can do more with self-service than ever before, from utilizing chatbots to integrated knowledge management.
3. **Case management.** Like their counterparts in IT, HR professionals are constantly taking requests from employees. HR service delivery should provide a streamlined way to manage these requests across their lifecycle.
4. **AL/ML capabilities.** Applying artificial intelligence and machine learning technologies to enterprise-level business needs helps teams like HR rethink how the workforce accesses and uses information. These capabilities improve not only the way that services are delivered and scaled across the enterprise, but also how those services are consumed by end users.
5. **Integration and RPA/automation.** Integration with data from other key systems combined with automation that uses that data provides optimization of common processes for faster service and optimized HR operations. Integrating with an HCM system for key people data allows HR to automate common requests around employment verification letters, tuition reimbursement processing, etc., as well as enabling the automation of task bundles based on employee persona attributes, assignment to the appropriate shared services teams, and other key tasks.
6. **Social collaboration.** This can come in a variety of flavors, but most importantly it should eliminate or connect silos across technology tools and departments to enable trustworthy communication between HR and employees.

- 7. **Omni-channel access.** The modern workforce relies heavily on mobile technologies and HR must meet employees where they are. It's crucial to create an omni-channel experience that connects to all of employees' most-used endpoints.
- 8. **Security and data privacy.** HR handles some of the most sensitive information in the enterprise and any system with access to that data must be thoroughly vetted for security.
- 9. **Compliance and auditability.** Similarly, risk management must be high priority for HR systems. It must be simple and reliable to store and retrieve data centrally and securely to meet regulatory responsibilities and the needs of your organization.

- 10. **Future-proof features & functionality.** The speed of technological change demands that any new system should meet business needs today and tomorrow. This will vary for different organizations, but an HR service delivery model should account for emerging technologies like AI and predictive analytics.

Spotlight on: Intelligent self service

AI and ML are fast becoming critical elements of a successful HR service management strategy. These capabilities power guided and automated workflows that enable everything from better search results to knowledge management adoption to intelligent case categorization. Chatbots use natural language processing to provide intelligent, conversational, and omni-channel experiences that streamline the way services are requested, delivered, and consumed. AI and ML also increase user efficiency by eliminating manual work and making smart recommendations to end-user issues.

Choosing the right HR service management solution

A successful HR service management initiative requires the right service management solution. The market offers a wide variety of options, from sophisticated service management solutions geared toward IT to simplified business-centric platforms to custom tools built in-house.

Functionality, of course, is critical. The solution should be able to execute on all of the criteria listed above and be easy to use while doing so. If its end users – HR team members – are not comfortable and capable of using the tool, adoption and outcomes will suffer. Simply put, HR service delivery will fail if people don't want to or don't know how to use the technology behind it.

While your HRSM solution must be HR-friendly, it should also be selected with the broader business context in mind. The proliferation of software tools, especially cloud-based products, has made it fast and simple for departments like HR to choose and implement their own offering without “interference” from IT. This can be a good thing, empowering business teams to find a solution that suits their specific needs. But it can also present significant challenges.

When teams like HR, Facilities, Finance, Procurement and others each select their own applications for what are essentially similar needs, software sprawl kicks in quickly. Departments find it difficult to collaborate across disparate tools that require extensive customizations or do not integrate at all. Information is duplicated, technology gets outdated quickly, and the front- and back-end user experiences vary widely. Business teams still have dependencies on IT to make changes, but buried under so many tools, IT struggles to deliver efficiently. Supporting and maintaining a host of solutions is expensive. And perhaps most importantly, the proliferation of applications makes it difficult to protect users' data and privacy.

These complications translate to measurable negative consequences for the business, including:

- Poor resource optimization, as business analysts and development teams must work in multiple different tools
- Lower workforce productivity and reduced collaboration as teams lack a holistic view across workflows
- Increased security risk with different security models and accessibility requirements across different apps

- Cross-functional processes and activities are slow, disconnected, and complex to track
- Slow, negative, and costly employee experiences with internal service providers like HR
- Poor technology adoption due to substandard UX
- Reduced ability to quickly manage, control, and audit service requests

These implications make it clear that choosing the right HR service management tool is not just about features: it must be part of a larger business strategy to support each team both individually and as part of the larger enterprise.

Employees are the new customers

A positive customer experience is the cornerstone of any successful business – but the employee experience is almost as important. Today's business

leaders recognize that a holistic, strategic employee experience goes beyond satisfaction or engagement to encompass an employee's end-to-end experience with a company, from its overarching culture to each individual interaction.

Successful HR service management not only improves the employee experience of HR team members, but also every other employee with whom HR interacts. It empowers employees to communicate, collaborate, share information, and pursue ideas. It connects HR to other departments that impact employee experience, like Facilities and IT, for seamless assistance and problem-solving. It makes every employee's life easier by creating an environment where people have the tools and support they need to be successful.

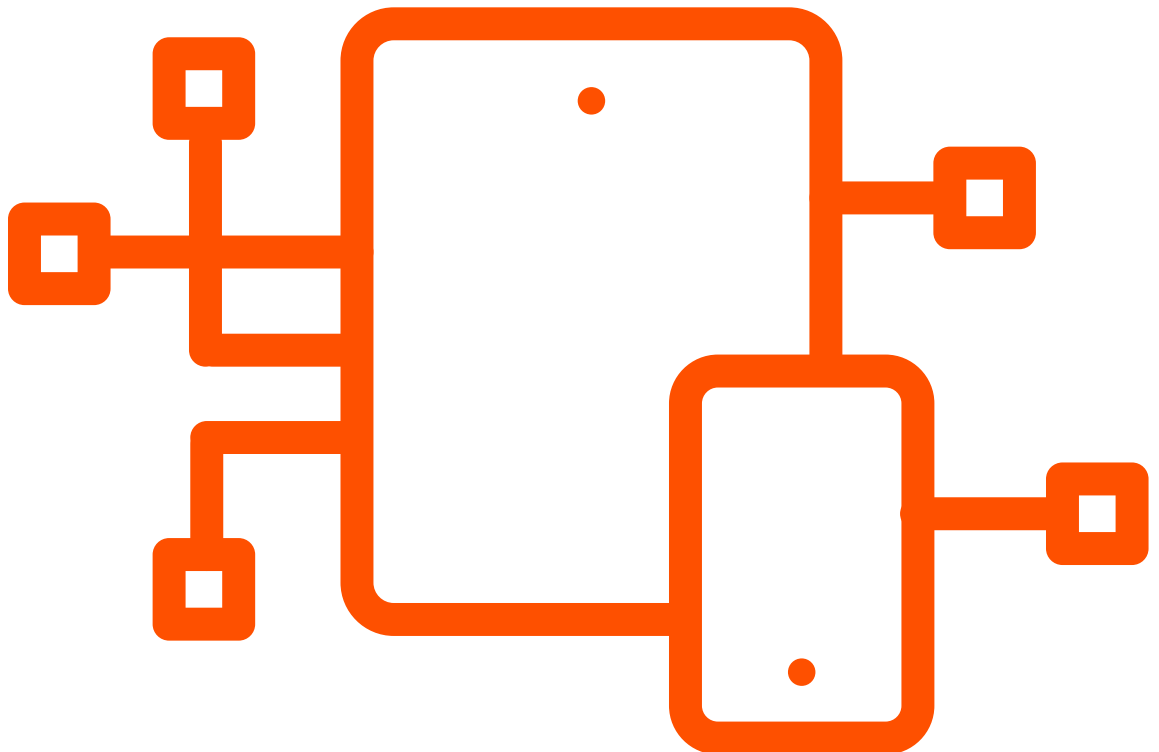
Organizations that focus on employee experience have 4x the average profit and 2x the average revenue of standard businesses.

Introducing BMC Helix for HR Service Management

To achieve and support digital transformation within the business, an HR service management tool must provide the features and usability that HR needs with the breadth and depth that the enterprise requires. That's why BMC Helix for HR Service Management delivers modern service management designed specifically for lines of business like HR.

BMC Helix for HR Service Management empowers HR leaders to manage, automate, and scale service delivery intelligently to drive peak efficiency. It helps organizations achieve HR service excellence through intelligent service management, enabling compelling innovations at the velocity needed to meet business goals and deliver transcendent customer experiences.

BMC Helix for HR Service Management meets the needs of businesses looking to reduce and control costs as well as standardize and streamline business processes. By utilizing automated intelligence, it improves not only the way services are delivered and scaled across the enterprise, but also how they are consumed by end users. With BMC Helix for HR Service Management, your organization can optimize and transform service delivery within HR and beyond.



How can BMC Helix benefit HR?

BMC Helix for HR Service Management uses intelligent service delivery to transform HR in three key ways.

1. Collaboration across the business. Successful HR Service Management is all about the employee experience, data, and workflows. The employee is the important part of the equation, and providing an end-to-end fulfillment experience is critical. Most organizations have several existing tools in their ecosystem they need to retain, and our solution is designed to collaborate with, not replace, those tools. Customers utilize our solution on the front end to provide answers, give them access to other lines of business, and have the ability to do complex workflows like onboarding. This complimentary strategy of using the best tool for the right function is why they choose BMC Helix for HR Service Management.

2. An elevated employee experience. For a business, a better employee experience leads to higher retention and productivity – and more engaged employees. BMC Helix for HR Service Management elevates the Employee Experience by empowering and engaging through:

- » HR Engagement Center
- » Knowledge Management
- » Intelligent self-service
- » Employee Journey Experiences

3. Modern HR service management. HR requires a foundation that will intelligently grow, scale, and adapt to the evolving needs of the workplace. BMC Helix provides the core features for modern HR service management and intelligent ways of delivering innovative services while delivering exceptional employee experiences.

- » Integrated HR Case Management
- » Content Solutions
- » Document Management
- » Knowledge Management
- » HR Insights
- » Shared Service Support
- » Automation
- » Administration

What makes BMC Helix for HR Service Management unique?

- **Intelligent self-service:** Empower employees with all the information they need, when they need it, to be highly self-sufficient and productive.
- **HR Engagement Center:** Configure all HR services to the employee's needs.
- **Shared services support:** Increase employee satisfaction and productivity, while reducing operational and administrative activities on strategic resources.
- **Automation:** Provides out-of-the-box automation, including AI/ML robotic process automation (RPA), so use cases can be extended to other areas reducing resolution times. In many cases, it provides no-touch case solutions to free up personnel to focus on strategic initiatives. Automated creation of task bundles based on employee persona and other criteria such as category to ensure the appropriate service is delivered to the employee.
- **Employee journey experiences:** Takes common and complex HR processes and enables Service Delivery managers to deploy for rapid time-to-value quickly and easily. Provides 360-degree

views of the process for both the employee and the manager, not only ensuring actions are done properly but also delivering consumer-grade experiences. Provides easily configured processes to standardize employee engagement through their HR request journeys. Out-of-the-box HR bundled use cases are provided for some of the most common requests.

With these capabilities, organizations can achieve dramatic business outcomes. The Forrester Total Economic Impact report found that BMC Helix for HR Service Management delivers benefits including:

- 30% reduction in admin costs for deploying HR service delivery tools.
- 50% end-user productivity increase (time saved investigating/interacting)
- Deflection of over 1/3 of service tickets through self-service
- Scaled automated resolution to 25% addressing HR, finance, facilities and other requests without agent involvement

Conclusion

As the owners of employee experience, Human Resources stands at the forefront of digital transformation. HR must embrace the opportunity to deliver against the business's most critical objectives: attracting the best and the brightest, reducing attrition and turnover, and fostering an engaged workforce. These are big goals that require bold moves. With the right service management strategy backed by the most powerful technology, HR can not only keep up with the speed of business – it can lead it.



For more information

To learn more about BMC Helix for HR Service Management, visit www.bmc.com/it-solutions/hr-service-management.html

About BMC

BMC works with 86% of the Forbes Global 50 and customers and partners around the world to create their future. With our history of innovation, industry-leading automation, operations, and service management solutions, combined with unmatched flexibility, we help organizations free up time and space to become an Autonomous Digital Enterprise that conquers the opportunities ahead.

BMC—Run and Reinvent

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